


# REPORT

**DATE:** May 31, 2005

**TO:** Energy and Environment Committee

**FROM:** Alan Thompson, Senior Regional Planner (213) 236-1940 thompson@scag.ca.gov

**SUBJECT:** Proposed Energy Policies

**EXECUTIVE DIRECTOR'S APPROVAL:** 

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## RECOMMENDED ACTION:

Approve the inclusions of the recommended policies in the Energy Chapter of the Preliminary Draft Regional Comprehensive Plan (RCP) for public review.

## SUMMARY

SCAG is in the process of updating its Regional Comprehensive Plan and Guide. A number of potential energy policies and resolutions were recommended at an Energy Policy Workshop held at SCAG on April 29, 2005. The Energy and Environment Committee (EEC) reviewed the recommended policies as an Information Item at the General Assembly in May, and the comments are incorporated herein.

## BACKGROUND:

In reviewing SCAG energy policies as part of the 2004 Regional Comprehensive Plan development, the RCP Task Force noted that SCAG lacked an energy generation policy. Because of the region's forecasted population growth, new sources of power will be necessary and will require additional delivery infrastructure.

On April 29, a workshop on Regional Energy Policy was held at SCAG offices. While the initial need was to recommend an energy generation policy, the discussion was not confined to strictly generation. Other items that were discussed were:

- Generation,
- Supply,
- Conservation,
- Cogeneration,
- Transmission and Corridors.

The following potential policies and resolutions were recommended at the April 29 Energy Policy Workshop. Comments from workshop participants are in italics.

### Generation

- Encourage cost-effective alternative and renewable energy generation facilities.

## Supply

- Encourage reliable energy through diversification of sources.
- Encourage greater coordination between the California Public Utilities Commission and Independent Service Operator.

*[Comment from participant: In this context, coordination between the PUC and ISO would be good, but in the context of SCAG, better coordination between municipal utilities and the ISO would also be helpful to reduce the balkanization of the grid.]*

## Conservation

- Encourage the public and private sectors to use energy efficient materials in building design, construction, rehabilitation and retrofit.

## Cogeneration

- Encourage cogeneration, where feasible and cost-effective.

## Transmission

- Encourage increasing capacity of existing transmission lines.

*[Comment from participant: I am not sure that encouraging expansion of existing lines will get us where we need to be from a reliability standpoint. From a reliability standpoint that is not usually the best option.]*

- Resolution: State must establish and follow policies enabling development of energy transmission [lines] and related infrastructure.

*[Comment from participant: I don't really know what they mean by this. What would be good for the state is to find a way to facilitate the development of needed infrastructure in a timely manner. Delays and overlapping and duplicative regulation are generally used as tools by opponents to kill proposed infrastructure projects. ]*

- Discussion Question: What are industry roadblocks to install transmission lines?

*[Comment from participant: See my comment above. I also think that we need to have transmission owning municipal and investor-owned utilities working more toward a common goal.]*

- Discussion Question: Should SCAG/State explore new electric/gas transmission corridors as part of a Long Range Planning Process?

*[Comment from participant: Corridors need to be looked at long-term to accommodate anticipated growth and the need for infrastructure to serve that growth. Without setting aside land for that infrastructure, we will find that we have no place to put it that isn't in someone's already developed backyard. This is not just an IOU, municipal or public agency issue. It is an issue that affects all types of infrastructure.]*

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## FISCAL IMPACT: *He*

No fiscal impact. Any work related to this item is included in the 2005-2006 Overall Work Program under Work Element 06-035 (Regional Comprehensive Plan & Guide).